2004 Arizona Withholding Reconciliation Return

Obtain additional information or assistance, and tax forms and instructions, by contacting one of the numbers listed below:

(602) 255-2060
(800) 843-7196
(602) 542-4260
(602) 542-3756
(602) 542-4021
(800) 397-0256
(602) 542-1991
(800) 845-8192

Visit our Web site at: www.azdor.gov

Note: the Department is no longer issuing Arizona withholding tax numbers. Beginning in 2005, this number will no longer be requested on Arizona tax forms.

General Instructions

Who May File Form A1-R

Employers that file the Form A1-QRT must file the Form A1-R. Form A1-R is also the Arizona transmittal return for federal wage and tax statement Forms W-2, W-2G, W-2c, and/or 1099-R (if the Forms W-2G and 1099-R include Arizona withholding). Submit the federal wage and tax statement forms with the Arizona Form A1-R.

NOTE: Employers that file Form A1-APR, the annual payment withholding tax return, will not file the Form A1-R. The Form A1-APR contains the information required by ARS § 43-412.

Filing Original Returns

File this return only on a calendar year basis, i.e., for the period January 1, 2004, through December 31, 2004. The return is due by February 28 of the year following the calendar year for which payments were made. If the employer has an Arizona extension, file the return by the extended due date. Attach a copy of the extension to the front of the return. Send the return to the Arizona Department of Revenue, PO Box 29009, Phoenix AZ 85038-9009.

Extension of Time to File a Return

An employer may apply for an extension of time to file Form A1-R upon a showing of good cause. An extension of time to file the Form A1-R is also an extension of time to file the federal Forms W-2, W-2c, W-2G, and/or 1099-R associated with that return. The employer must file the extension request (Form A1-R EXT) as soon as the employer knows that an extension of time to file is necessary. The extension request must be mailed on or before the due date of the Form A1-R. An extension cannot be granted if the extension request is filed after the due date of the Form A1-R.

Filing Amended Returns

If this is an amended Form A1-R, check the amended return check box on the form. Enter the amended amounts on lines 1 through 4 on the form, and write the reason for amending the return in the space provided.

Penalties

This form is an information return. An information return that is incomplete or filed after its due date (including extensions) is subject to a \$500 penalty.

Submitting Forms W-2, W-2c, W-2G, and 1099-R

The department will accept federal Forms W-2, W-2c, W-2G or 1099-R (if the Forms W-2G and 1099-R include Arizona withholding) submitted by either method listed below:

• A paper copy of each federal Form W-2, W-2c, W-2G, and 1099-R can be submitted with the Form A1-R. Mail the Form A1-R and the paper copies of the federal forms to:

Arizona Department of Revenue PO Box 29009 Phoenix AZ 85038-9009

 A tape cartridge or diskette with the required information can be sent to:

Arizona Department of Revenue Information Technology Division Tape Librarian 1600 W Monroe Phoenix AZ 85007

Refer to Publication 701, *Magnetic Media Reporting*, for information regarding magnetic media specifications for reporting federal forms W-2, W-2c, W-2G, and 1099-R.

Specific Instructions

Type or print the required information in the Taxpayer Information area on the top of the form if necessary. Indicate whether this return is an original or an amended return.

If you applied for your withholding license in 2004, you will not have a state withholding number and this box can remain empty. Otherwise, enter the Arizona withholding tax number. This number should include all eight numerical digits and the alphabetical letter. Enter the employer identification number, which is the taxpayer identification number (TIN).

All returns, statements, and other documents filed with the department require a TIN. Taxpayers that fail to include their TIN may be subject to a penalty. Paid tax return preparers must include their TIN where requested. The TIN for a paid tax return preparer is the individual's social security number or preparer identification number or the employer identification number of the business. Paid tax return preparers that fail to include their TIN may be subject to a penalty.

Lines 1 through 4 -

Complete these lines. If this is an amended return, enter the amended amounts on lines 1 through 4.

Lines 5 through 9

Write the liability for each quarter as reported on your Arizona Forms A1-QRT. Add lines 5 through 8 and write the total on line 9. Compare this total to the amount on line 1. The amounts should be identical. If they are not, determine whether the amount on line 1 is correct or the amount on line 9 is correct.

If the amount on line 1 is correct, you must file amended Arizona forms A1-QRT for the quarters that were reported incorrectly. If the amount on line 9 is correct, you must determine which of the federal Forms W-2, W-2c, W-2G or 1099-R are incorrect and issue corrected ones to the affected employees. Submit the state copy of the corrected federal Forms with your Arizona Form A1-R.

Underpayments of Tax for 2004

If you discover that you have an underpayment of tax for 2004, submit an amended Form A1-QRT for each underpaid quarter. Remit a separate payment with each amended Form A1-QRT for each underpaid quarter. Enter your employer identification number or state withholding number on your check. The department will calculate the amount of interest and any applicable penalties and send a billing notice after the amended return is processed.

Overpayments of Tax for 2004

If you discover that you have an overpayment of tax for 2004, submit an amended Form A1-QRT for each overpaid quarter. After the amended return is processed and payments are confirmed, a credit notice will be generated. The department will apply the credit to any existing liabilities. **Do not use a credit until a credit notice has been received.**

A refund will not be issued unless a written request detailing the justification is submitted to the department. The top portion of the credit notice, or a copy, should be attached to the written request. No refund will be issued once the credit is applied to a liability.